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SUBJECT: CORRECTED COPY - U/S BURNS DISCUSSES U.S.-BRAZIL

RELATIONS WITH STRATEGIC PLANNING MINISTER UNGER

Classified By: U/S Burns, Reasons 1.4 (b), (d)

11. (U) January 6, 2009, 9:30 a.m., Washington

12. (U) Participants

United States

Under Secretary William J. Burns Assistant Secretary Thomas A. Shannon P Special Assistant Patricia Aguilera WHA notetaker Benjamin Chiang

Brazil

Minister Roberto Mangabeira Unger Ambassador Antonio Patriota Political Minister-Counselor Carlos Ceglia

13. (C) Summary: Under Secretary Burns met with Brazilian Strategic Planning Minister Unger to discuss how the United States and Brazil can strengthen relations as we move into a new administration. Unger suggested broadening and deepening the relationship through a series of joint initiatives on education, economic development and energy. Burns also raised the F/A-18 jet fighter bid as a means to assist in Brazil's military modernization. End Summary.

Optimism for Continuing Relations

14. (C) Under Secretary Burns and Minister Unger met for 25 minutes to discuss the future of the U.S.-Brazil relationship as we transition to the Obama Administration. Both agreed that President Lula and President-elect Obama should take the earliest opportunity to become acquainted, hopefully even before the Summit of the Americas in April and the next G20 meeting in London. Burns told Unger that he thought early engagement from the Brazilians would be welcomed by the new administration given the importance of the bilateral relationship.

Unger's Ideas for Cooperation

15. (C) Unger explained President Lula is interested in deepening relations under this "atmosphere of great expectations. Unger listed four areas that could serve our mutual interests. First, Unger said we should identify

projects that require a "magnanimous" commitment on each of our part and mentioned continued cooperation on biofuels, joint education programs and enhancement opportunities for small and medium sized businesses. Second, in light of the economic crisis, the United States and Brazil should work towards reshaping and reorganizing global financial institutions. Third, Unger mentioned the need for Brazil and the United States to work together to assist in Mexico's economic situation. Unger believed Mexico was "in real trouble" as its agricultural producers and small to medium sized businesses had not found a way to grow. Engaging Mexico on this sort of issue would facilitate discussions in other areas of concern, such as immigration. Fourth, Unger said Brazil wants to play a role in the reconciliation of U.S. relations with Cuba, Venezuela and Bolivia. "We have spoken to our friends" and it is understood that it will require significant steps on each country's part.

F/A-18 and Military Cooperation

¶6. (C) U/S Burns raised the F/A-18 Super Hornet jet fighter bid, stating the plane would assist in Brazil's military modernization and could help cement the relationship in other areas beyond defense. Unger responded that when he met with Admiral Stavridis, Unger had informed him Brazil's need to move away from buying ready-made products with little tech transfer. Brazil was interested in identifying areas for co-production and co-development of modern weapons systems and airplanes. Regardless of what happened with the sale of the F/A-18, "our American friends" should begin a "trajectory" of trust and confidence between us.

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